

AMENDED IN ASSEMBLY MARCH 29, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2806

**Introduced by Assembly Member Wilk
(Coauthor: Assembly Member Dababneh)**

February 19, 2016

An act to add Section 35401.5 to the Education Code, relating to school districts.

LEGISLATIVE COUNSEL’S DIGEST

AB 2806, as amended, Wilk. School districts: *Office of the Inspector General of the Los Angeles Unified School District: inspector general: evaluation of charter schools.*

~~Existing~~

~~(1) Existing law, until January 1, 2025, authorizes the Los Angeles Unified School District’s Inspector General of the Office of the Inspector General of the Los Angeles Unified School District to conduct audits and investigations, as specified, including administering oaths or affirmations. Existing law makes it a misdemeanor, punishable as specified, for a person, after the administration of an oath or affirmation, to state or affirm as true any material matter that he or she knows to be false. Existing law also requires the inspector general to submit annual interim reports by July 1 of each year, and a final cumulative report by December 1, 2024, that includes specified information: when it has a reasonable suspicion that a law, regulation, rule, or school district policy has been violated or is being violated.~~

~~This bill would prohibit would require that, if the inspector general from auditing or investigating a charter school or an entity that operates charter schools for the purpose of evaluating a charter school for~~

consideration of revocation, renewal, or ongoing oversight, unless the audit or investigation is authorized *is directed* by the governing board of the Los Angeles Unified School District ~~and meets to participate in the evaluation of a charter school, the audit or investigation is required to meet~~ each of several conditions, as provided.

~~The bill would, except as provided, make any disclosure of information by the inspector general or that office that was acquired pursuant to a subpoena of the private books, documents, or papers of the person subpoenaed punishable as a misdemeanor. By creating a new crime, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

(2) This bill would make legislative findings and declarations as to the necessity of a special statute for the Los Angeles Unified School District.

Vote: majority. Appropriation: no. Fiscal committee: ~~yes-no~~. State-mandated local program: ~~yes-no~~.

The people of the State of California do enact as follows:

1 SECTION 1. Section 35401.5 is added to the Education Code,
2 to read:

3 35401.5. (a) ~~Notwithstanding Section 35401, the inspector~~
4 ~~general shall only audit or investigate a charter school or an entity~~
5 ~~that operates charter schools for the purpose of evaluating a charter~~
6 ~~school for consideration of revocation, renewal, or ongoing~~
7 ~~oversight if the audit or investigation meets Sections 35400 and~~
8 ~~35401, if the inspector general is directed by the governing board~~
9 ~~to participate in the evaluation of a charter school, the audit or~~
10 ~~investigation shall meet~~ each of the following conditions:

11 (1) The audit or investigation is approved by the governing
12 board of the Los Angeles Unified School District in accordance
13 with an approved scope and analysis that, at a minimum, includes
14 each of the following:

15 (A) Identification of the charter school or entity that operates
16 charter schools that is subject to the audit or investigation.

1 (B) A description of the issues, including the specific allegations
2 or concerns leading to the request and specific questions to which
3 the audit or investigation is expected to respond.

4 (C) The proposed scope of the work to be completed.

5 (D) The estimated timeline, start date, and cost. If an audit or
6 investigation will exceed 90 days, the inspector general shall justify
7 the need for the extended time ~~which must be approved by the~~
8 ~~governing board of the Los Angeles Unified School District.~~ *time,*
9 *for which the approval of the governing board shall be required.*

10 The inspector general shall not exceed the approved timeline
11 without subsequent approval from the governing board of the Los
12 Angeles Unified School District. *board.*

13 (2) Any audit or investigation for which the governing board
14 ~~of the Los Angeles Unified School District~~ may consider action
15 related to a charter school shall be conducted in accordance with
16 Generally Accepted Government Auditing Standards published
17 by the United States Government Accountability Office and the
18 professional standards published by the American Institute of
19 Certified Public Accountants. The report shall be made public
20 before any deliberations on action related to the findings, and the
21 charter school shall be given a reasonable opportunity to respond
22 to any findings before publication of the report. *The inspector*
23 *general shall make public its report and the written response to*
24 *the report from the charter school at the same time that it provides*
25 *the final report to the governing board or to district staff.*

26 (3) Neither the governing board ~~of the Los Angeles Unified~~
27 ~~School District nor the Los Angeles Unified School District~~ *nor*
28 *the district* shall take any action based on any evidence or findings
29 on draft reports or any reports or evidence *prepared pursuant to*
30 *this section* that has not been made public before the action. Any
31 proposed action to consider revocation, nonrenewal, or corrective
32 action against a charter school as a result of an audit or
33 investigation by the inspector general shall comply with Section
34 47607 and its implementing regulations and provide the charter
35 school a reasonable opportunity to cure any violation and to address
36 ~~any finding.~~ *finding in public.*

37 (4) If, in the course of a financial or performance audit of a
38 charter school, the inspector general determines that there is
39 reasonable cause to believe that an employee of a charter school
40 has engaged in any illegal activity, the inspector general shall

1 report the nature and details of the activity on a timely basis to the
2 local district attorney or the Attorney General.

3 ~~(b) The inspector general does not have any enforcement power.~~

4 ~~(c) This section does not limit any authority conferred upon the~~
5 ~~Attorney General or any other department or agency of government~~
6 ~~to investigate any matter.~~

7 ~~(d) Except as authorized in this section, or if called upon to~~
8 ~~testify in any court or proceeding at law, any disclosure of~~
9 ~~information by the inspector general or that office that was acquired~~
10 ~~pursuant to a subpoena of the private books, documents, or papers~~
11 ~~of the person subpoenaed, is punishable as a misdemeanor.~~

12 ~~(e) This section shall apply to any contractors commissioned~~
13 ~~by the inspector general to perform audits or investigations of~~
14 ~~charter schools or entities that operate charter schools.~~

15 *(b) As used in this section, “governing board” means the*
16 *governing board of the Los Angeles Unified School District.*

17 ~~SEC. 2. No reimbursement is required by this act pursuant to~~
18 ~~Section 6 of Article XIII B of the California Constitution because~~
19 ~~the only costs that may be incurred by a local agency or school~~
20 ~~district will be incurred because this act creates a new crime or~~
21 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
22 ~~for a crime or infraction, within the meaning of Section 17556 of~~
23 ~~the Government Code, or changes the definition of a crime within~~
24 ~~the meaning of Section 6 of Article XIII B of the California~~
25 ~~Constitution.~~

26 *SEC. 2. The Legislature finds and declares that a special law*
27 *is necessary and that a general law cannot be made applicable*
28 *within the meaning of Section 16 of Article IV of the California*
29 *Constitution because of the unique circumstances of the Los*
30 *Angeles Unified School District.*